 Office of Credit Unions Policies and Procedures	POLICY NUMBER
	10710 A3
COMPLIANCE	EFFECTIVE DATE
	11/01/2018
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I. PURPOSE

A Customer Identification Program (CIP) forms a reasonable belief the true identity of each customer/ member is known. The CIP must include account opening procedures which specify the identifying information that will be obtained from each customer.


II. PROGRAM REQUIREMENTS

At minimum, the CIP Program should incorporate all of the following requirements:

1. Prior to opening an account, the following information must be obtained from the member:
 - a. Name
 - b. Date of Birth
 - c. Address
 - i. For an individual, one of the following:
 1. Residential or business street address
 2. Army Post Office (APO) or Fleet Post Office (FPO) box number
 3. The residential or business street address of next of kin or of another contact individual
 4. Description of the customer's physical location
 - ii. For a "person" other than an individual (such as a corporation, partnership, or trust): a principal place of business, local office, or other physical location.
2. Identification Number:
 - a. An identification number for a U.S. person is a taxpayer identification number (TIN) (e.g. Social Security number, individual taxpayer identification number, or employer identification number)
 - b. An identification number for a non-U.S. person is one or more of the following: a TIN; a passport number and country of issuance; an alien identification card number; or a number and country of issuance of any other unexpired government-issued document evidencing nationality or residence and bearing a photograph or similar safeguard.
3. The CIP must contain procedures for verifying the identity of the customer within a reasonable period of time after the account is opened. The credit union need not establish the accuracy of every element of identifying information obtained, but it must verify enough information to form a reasonable belief of the true identity of the customer. The credit union's procedures must describe when it will use documents, non-documentary methods, or a combination of both.

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4. When using documents, the CIP must state the types of documents the credit union will use. These documents may include:
 - a. For an individual, unexpired government-issued identification evidencing nationality or residence and bearing a photograph or similar safeguard, such as a driver's license or passport.
 - b. For a person other than an individual (such as a corporation, partnership, or trust), documents showing the existence of the entity, such as certified articles of incorporation, a government-issued business license, a partnership agreement, or trust instrument.
5. For a credit union using non-documentary methods, the CIP must describe the non-documentary methods the credit union will use. These methods may include contacting a customer; independently verifying the customer's identity through the comparison of information provided by the customer with information obtained from a consumer reporting agency, public database, or other source; checking references with other financial institutions; and obtaining a financial statement. The credit union's non-documentary procedures must address situations where an individual is unable to present an unexpired government-issued identification document that bears a photograph or similar safeguard; the credit union is not familiar with the documents presented; the account is opened without obtaining documents; the customer opens the account without appearing in person at the credit union; and where the credit union is otherwise presented with circumstances that increase the risk that the credit union will be unable to verify the true identity of a customer through documents.
6. The CIP must include procedures for responding to circumstances in which the credit union cannot form a reasonable belief that it knows the true identity of a customer. These procedures should describe:
 - a. When the credit union should not open an account;
 - b. The terms under which a customer may use an account while the credit union attempts to verify the customer's identity;
 - c. When the credit union should close an account, after attempts to verify a customer's identity have failed;
 - d. When the credit union should file a Suspicious Activity Report in accordance with applicable law and regulation.
7. The CIP must include recordkeeping procedures. At a minimum, the credit union must retain the identifying information obtained at account opening for a period of five years after the account is closed. The credit union must also keep a description of the following for five years after the record was made:

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- a. Any document that was relied on to verify identity, noting the type of document, the identification number, the place of issuance, and, if any, the date of issuance and expiration date.
 - b. The method and the results of any measures undertaken to verify identity.
 - c. The results of any substantive discrepancy discovered when verifying identity.
8. The CIP must include procedures from determining whether the customer appears on any federal government list of known or suspected terrorists or terrorist organizations.
9. The CIP must include procedures for providing customers with adequate notice that the credit union is requesting information to verify their identities. The notice must generally describe the credit union's identification requirements and be provided in a manner that is reasonably designed to allow a customer to view it or otherwise receive the notice before the account is opened.
10. The CIP rule does not alter a credit union's authority to use a third party, such as an agent or service provider, to perform services on its behalf. Therefore, a credit union is permitted to arrange for a third party, such as a car dealer or mortgage broker, acting as its agent in connection with a loan, to verify the identity of its customer. The credit union can also arrange for a third party to maintain its records. However, as with any other responsibility performed by a third party, the credit union is ultimately responsible for that third party's compliance with the requirements of the credit union's CIP. As a result, credit unions should establish adequate controls with the reliance provision of the rule that permits the relied-upon party to take responsibility.